

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

General Meeting Minutes November 3, 2015

I. Call to Order and Roll Call – Joanna Adams

- Meeting was called to order: 7:05 pm.
- Board members in attendance: Linda Boswell, Joanna Adams, Harold Hermann, Ken Kahn, Aaron Anderson
- Others in attendance include: Shelly Nolan, RATES; Jamie Campbell, serving as interim secretary; various residents of the Water District.

II. Reading and approval of the minutes – Aaron Anderson

Board member, Aaron Anderson, read minutes from the October 22, 2015 meeting of the Water District.

Highlights included:

Information:

- Lien search indicates that liens have yet to be resolved. There is a \$34,000 lien on the pump house and 7 collections against Larry Streeter that are related to the water system.

Discussion without decision or action:

- One means of generating operating capital for the Water District could include requiring delinquent accounts be brought up to date as a means of providing operating capital to the district.
- Potential attorneys to review water system transfer and Water District bylaws were discussed.
- Need to hire general manager, secretary and treasurer discussed. Advertising for position could be done on Craigslist.
- Ideas for bylaw structure and content were discussed.

Discussion resulting in decision or action:

- Water District meetings will be held the first Tuesday of every month.
- Water District meeting notification will be occur as follows: At least three day advance notice via flyer at Columbia Heights Gas Station, Water District facebook page and e-mail to Water District e-mail list.
- At least two signatures will be required on checks .

Minutes were approved as read.

III. Public comment.

Lot at 100 Gordon Avenue now has water. Community members report that water pressure has gone up now that watering lawns has stopped.

Discussion was held regarding a proposed ordinance that would limit watering to 20 minutes per time per day. Citizens voiced concern that this did not allow enough time to adequately water gardens, etc. It was suggested by board member that multiple watering of 20 minutes could occur. The proposal was meant to prevent a person from setting a sprinkler and then leaving it unattended for hours. Questions arose about how such an ordinance would be enforced. It was also suggested that watering be limited to odd or even days, determined by address. Ultimately it was decided that further discussion would be needed prior to developing such an ordinance.

IV. Operator's report – Ken Kahn

Ken Kahn presented information about the effort to check water system lines for leaks and shut-off valves. He noted that Larry has not been up to this so Ken plans to explore this with the assistance of Clarence.

Questions were raised about the ability of Water District board members to dig, at least in the street, to see if they could locate the valves. Shelly noted they shouldn't be very deep. Some thought that digging on homeowners land that might be allowed, if homeowners were present. Linda noted that old valves are property of home owner but all new water valves are property of the water district. The time frame for defining old and new was not explained.

Other options considered were using a metal detector, finding out if Columbia Falls has a line locator that the Water District could use or speaking with Kevin Severe. It was suggested that written statement from Larry confirming his permission for digging might be helpful. The liability of this was discussed: if a line broke, someone was injured or a gas line was hit, Larry would ultimately be responsible. It was decided that it is very important to plan ahead and contact UDig.

At the moment, Mountain, Mabel and Gordon are the main areas of concern. Shelly, Clarence and Ken plan to explore the area November 4th. Some community members noted valves they knew the location of: Doug Klien's valve is easy to find. Another citizen has a broken valve on his property and knows where that is. It might be possible to easily locate the valves at 236 and 228 Mountain Avenue. Ken will go out November 4th. Lee (RATES) will do the line location, leak detection, November 5th. The goal is to determine if there is one major leak. Larry Streeter and Mike Kropp both think this is likely because the

well runs constantly. Detection will be done by putting the detectors to the valve to listen to the line. Some of the yards have hydrants, those can be opened to listen to them as well.

V. Financial report – Linda Bosworth

Linda Bosworth noted that the Water District has no funds but is slowly accruing costs as follows: Joanna Adams is owed \$10 for copies from the Secretary of State; Linda Bosworth is owed \$164.25 for color copies for 10/22/15 meeting, copies from District Court and Clerk and Recorder researching liens and lawsuits, copies of recorded oaths, and for the post office box annual rental fee.

VI. Correspondence – Joanna Adams

New addresses or corrections were noted as follows: Lori Beck , 854 Berne Road is both her mailing and physical address. Jim and Patty Martinez, POB 2521, their previous address was one digit off. Jim Bellmore has been contacted via e-mail but to date has not responded. Jamie Campbell's property is still showing the previous owner, Dennis Mangold, on the address but this incorrect. Joanna Adams fixed this on the Contact List.

VII. Old business – Joanna Adams

Bylaws were reviewed.

- Board member terms are restricted to two consecutive terms To create staggered terms current board members will initially serve either a two or four year term. At the next board meeting the board will determine which board members will serve which term length. Board president can run for two consecutive terms.
- The President shall have general charge over the district subject to the board.
- Fiscal year will start in July.
- Voting rules were discussed.
- It was stated that there will be one vote per lot, which means that some people will receive more votes than others. Shelly read the qualifications to vote cited in MCA 7 -13-2212, noting the voter must be either a resident of district or owner of property within the district. The Water District must make that determination because the vote must consist either or residents or owners but cannot be a combination. Shelly noted that there may be advantages for the Water District to choose residents as voters instead of lot owners. This is primarily because many of the Water District grants are based on the income of the community. To qualify we need to be able to demonstrate this is a low-income district. If the Water District chooses to grant voting rights to the property owners instead of

the residents it is possible our ability to qualify for low income grants will be hindered. Various options were considered. Joanna says maybe we should have the person who pays the taxes vote.

- If a regularly scheduled meeting falls on a federal holiday the meeting will fall on the following Tuesday. Meeting announcements will be posted at the Gas station and via e-mail. Once a website has been created, a list of all meeting dates will be posted on the website, 6 months in advance. It was suggested that referencing the website should not be noted in the bylaws at this time.
- The general manager shall notify all delinquent Water District members of delinquencies by September 1 of each year to allow resolution of debt prior to the property tax deadline.
- Correction of bylaw draft
- Page 8 includes references to sewer – this reference will be deleted.

Closing discussion of bylaws

While it would be ideal to have the bylaws reviewed by an attorney or at least a DEQ official, this would probably require payment that the district does not have. One possibility is to call Greg Butts with DEQ, this will be looked into. Shelly noted that the bylaws must be in place prior to applying for government grants. She also noted that she has copies of documents from other water districts that include their administrative codes and operations resolution – these address collections, hook-ups and so forth. If the bylaws are approved prior to review by an attorney it was noted that they can be revised with a 3-2 vote. With that in mind, Ken stated he could see no reason not to run with it. Linda abstained from voting because she had drafted the bylaws. Harold and Aaron stated they were happy with the bylaws. Joanna asked Linda to make the changes and then they will vote at the next meeting.

VIII. New business - Joanna Adams

Flathead Water District 101 is now officially an authorized entity with five appointed directors to oversee the district. Linda Bosworth presented photocopies of the five recorded Director appointments to hold until the corporate book is obtained to place these documents in.

The first official public meeting of the FCWD #101 will be held December 7, 2015, in the Conference Room of Freedom Bank. The purpose of that meeting will be to have formal appointments of the President, Vice President, director terms, adoption of By-Laws, procedural resolutions and community discussion with the board to vote on three proposed ordinances.

Shelley Nolan provided a brief outline of where the water district stands with regard to 2017 legislation and grant monies available.

- Rural Development Grant alternates between an open grant cycle during odd years and a May 15 grant deadline during even years. This grant is the likely to be offer the most immediate source of funds to the Water District due to the current open cycle. The grant can be used for planning and emergency needs. It must be applied for as soon as possible. Shelly stated the grant reviewers would seek evidence of need that the preliminary engineering review and Mike Kropp's 2014 sanitation report would likely provide. Rural Development will use the most recent census data.
- Survey's of area residents would need to be completed as well. These surveys would be used to determine the income levels of the Water District. Shelly assured us these surveys would be confidential. List of residents, district boundaries, etc would all be part of the grant process.
- The state offers a revolving loan program for safe drinking water that utilizes an open cycle and covers 100% of eligible project costs.
- Community Development Block Grants can be pursued, these required a 25% local match up to \$450,000. Various other grants that maybe available include TSAP, MT Coal Board, Dept. of Commerce InterCap, construction and emergency grants that have deadlines falling in the middle of April on even numbered years.

Linda Bosworth: **Motion**, "Shelly has authority to fill out grant paperwork on behalf of water district." Ken provided second. Vote held. Motion passed unanimously.

Linda Bosworth noted three ordinances would be voted on at the December 7th meeting. Joanna Adams read the proposed ordinances:

(1) 30 day notice requirement and permission obtained from FCWD 101 of any lot owner accessing any water lines for any reason;

(2) 30 day notice requirement, written plan provided, and permission obtained from FCWD 101 of any lot owner adding, modifying or removing underground sprinklers;

(3) watering of lot owner yards/gardens permitted June through September only, even and odd days according to physical address, for 20 minutes at a time; for lots with existing sprinkler systems watering permitted daily only if for 10 minutes at a time;

Discussion followed. Community concerns were raised regarding ordinance 1 and 3, comments were made regarding 2.

- Ordinance 1: If a pipe freezes in the winter or an emergency need arises then the 30 day written notice would be impossible to comply with. It was noted that homeowners own their own lines but must contact the Water

District prior to working on Water District lines. In an emergency the 30 day written notice would be waived. As the Water District's certified operator, Ken Kahn would be the contact person for emergencies.

- Ordinance 2: It was noted that the sprinkler systems in the district are not up to code in many places. Something will need to be done to prevent back flow issues before spring.
- Ordinance 3: Twenty minutes is not enough time. Suggestion was made and agreed to that the 20 minute restriction would be omitted, watering could begin in May instead of June, but the even and odd day restriction was not protested. (Further discussion regarding this topic can be found under III. Public Comment of these minutes.)

Joanna Adams read the notice of public meeting that will be provided to the paper. It will be published starting the week of November 16, 2015. Ken Kahn will handle the publication with the Daily Interlake. He will pay for it and save the receipt.

Linda Bosworth will prepare a letter to mail to District lot owners for December 7, 2015 meeting. She will prepare address label and handle the mailing of the letter. It will be mailed by November 16, 2015.

Meeting locations were discussed. The December 1, regularly scheduled Water District meeting is set for the City Council room, however alternative locations were discussed. The Badrock Fire Hall has a meeting room. It was suggested the fire chief could be contacted to explore this suggestion. The City Council Hall is also available but elections always fall on Tuesdays so that could present a bit a conflict since the Water District meetings occur on Tuesdays. The goal is to find a spot for a standing meeting location

Original Articles of Incorporation for FCWD 101 were reviewed and noted as sufficient for the current needs of the Water District.

Registered Agent for the FCWD 101 must be updated with the Secretary of State. At this time the agent of record is from 1968. Ken Kahn will become the current registered agent for the FCWD #101. Linda will handle the updating process with the secretary of state. Annual report will need to be updated in January.

Joanna Adams presented options for hiring a Secretary. It was agreed that for the time being Jamie Campbell will serve as the interim secretary on a voluntary basis.

Website and domain name discussion were held. A WordPress.com site is free. A domain name could be purchased for \$18.00 a year.

Linda Bosworth provided 2 keys for the newly obtained post office box to Joanna Adams pending the hiring of a Treasurer/Auditor. The PO Box is #1141 in

Columbia Falls. Ken Kahn will pick up the mail from the PO Box and drop it off with Joanna Adams on a weekly basis.

Linda Bosworth reported on her October 27, 2015 meeting with Larry Streeter regarding the acquisition of his water company. She obtained the 2000 water company appraisal. At the time, the value of the company was \$114000. The report contains useful information so she will scan the appraisal and provide to board members, she will also make a copy for the corporate book. Larry's home is on lot 16. In return for gifting the water company to the district he is asking that he will not be charged for water as long as he owns his home. He is also asking that the lot with the water storage tank on it be deeded back to him in exchange for the land he is donating to the district. Larry will turnover all paperwork, tools, etc to the water district. Linda and Larry reviewed the well site at the south end and triangle piece lots #34-38 (according to Larry, but Linda believes these may actually be #34-39).

Larry has a lot of recommendations for improving the water system. He does not want the water district to put up an "eye sore tank" on the lot. He is hoping that trees without large root systems will be planted. Larry noted that he doesn't cash monthly checks because some people pay annually or semi annually, he likes to save up the checks and cash them all at once. He received an amended letter from DEQ but does not think it is sufficient. It does not reference the lawsuit. He believes he needs something that provides him greater assurances. He has not yet heard from public service commission resolving him of the fines. Mike Kropp will work on getting Larry a letter that satisfies him. The lien by attorney Darrell Worm, in the amount of \$34000, has been paid in full. The lien by Kevin Severe for \$11000 plus wasn't renewed and should have lapsed. Kevin is a certified operator and can be retained for Ken to study under. It was recommended that a cap be placed on this cost in advance. According to Shelly, the typical hour charge is \$25.00 with an annual retention fee. There must be a certified operator in place. It is possible for Ken Kahn to apply for a temporary, for up to 6 months while he is working on certification. During that time he could work under Mike Kropp or Shelly Nolan. Larry has stated he will be glad to show Ken the "tricks of the trade."

Clarence had reported he did not think he owed for water services. Larry verified that he had a deal with Clarence that ran through September 2015. At this point, Larry reports the arrangement has expired. Larry has asked the Water District to provide a potential bill of sale, which is to include everything including the easement. Shelly sent some forms to Linda regarding transfer of water rights. Information regarding the transfer should be included in the letter that is being sent out. Transfer will not occur until Larry is satisfied with the documents he receives from the state and the terms in the bill of sale.

Linda Bosworth: **Motion** "Add following items to next meeting's agenda to be held December 1, 2015: Board to vote for Vice President; and Board discussion of hiring for positions of Certified Operator, Secretary, and Treasurer/Auditor; commencement of payment of Directors' \$60 monthly fee and Linda Bosworth's waiver of said payment for duration of her first term, approve draft Bill of Sale language to provide to Larry Streeter; and purchase of a corporate book and seal; other matters as added will be itemized in email sent out and on agenda posted prior to that meeting." Second, vote was held. Motion passed unanimously.

Payne West was suggested as a possible source for the insurance. This insurance would be for liability and officers & directors.

Discussion occurred about the current water district map and it was noted that it is not entirely accurate and will be reviewed. It must be updated.

Discussion also occurred about the water system lines proximity to drain fields. DEQ spells out that at least 100 feet must exist between the well and drain field. There also must be separation between sewer and water lines. All of these items will be explored and determined.

- IX. Next Meetings:** The next General Meeting of the Board is to be held on December 1, 2015, 7pm, here at the City Council Chambers located in the Columbia Falls Library. The first official public meeting of the FCWD #101 will be held December 7, 2015, in the Conference Room of Freedom Bank.
- X. Meeting adjourned** by Joanna Adams at 9:10.